



JUL 20 2005

The Honorable Kathleen Babineaux Blanco
Governor of Louisiana
Post Office Box 94004
Baton Rouge, Louisiana 70804-9004

Dear Governor Blanco:

It is with pleasure that I respond to the State of Louisiana's request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted twelve waiver requests. The state withdrew the request related to coordination of core services on July 7, 2005. The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Extension of the waiver to increase the transfer authority of Local Workforce Investment Boards from the current 20 percent to 100 percent for Adult and Dislocated Worker funds.

This request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of Louisiana is granted an extension of the waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 100 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

Requested Waiver 2: Waiver to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that the waiver will offer flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. The request further states that the waiver will allow local areas to enhance the delivery of occupational skills training and increase customer choice for

youth. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted a waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 3: Waiver of the required 50 percent employer match for customized training at WIA Section 101(8)(C) to permit a match based on a sliding scale.

The state indicates that a waiver permitting a sliding scale will improve services to customers seeking training and will improve the capacity of local boards to market demand-driven services and build beneficial relations with the private sector. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted the waiver as requested.

Requested Waiver 4: Waiver to permit redistribution of reallocated funds to local areas based on performance targets.

The state seeks to redistribute funds to local areas that have achieved targeted expenditure levels and established performance targets, such as whether the workforce area met employer needs for a highly skilled and job-ready workforce. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted a waiver of the reallocation procedures at 20 CFR 667.160 to permit the state to consider expenditure levels and performance targets in determining local area eligibility for reallocation of WIA formula funds. This waiver is granted through June 30, 2007.

Requested Waiver 5: Waiver to allow incentive payments to be provided to adults and dislocated workers during follow-up.

While WIA Section 129(a)(5) allows for the provision of incentives for recognition and achievement to eligible youth under the WIA Youth program, this is not an allowable cost for the WIA Adult and Dislocated Worker programs. This type of flexibility for services to adult customers is currently being piloted in the Personal Reemployment Account Demonstration in seven states. Two additional states may join the pilot, and if Louisiana is interested, officials should contact Dennis Lieberman at (202) 693-3375.

Requested Waiver 6: Waiver of the youth council membership requirements.

The state is seeking a waiver to allow local workforce investment boards to decide whether or not to create youth councils. The requirement for a youth council is part of local workforce investment board requirements. Provisions related to local boards are excluded from the general waiver authority and cannot be waived.

Requested Waiver 7: Waiver to permit local areas to request the use of a portion of local funds to conduct statewide activities.

The state is requesting this waiver to gain additional flexibility in the use of WIA formula funds to meet special workforce demands in the local areas. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted a waiver of the language that limits the authority to provide the activities identified in WIA Sections 129(b) and 134 to the state. This waiver will permit local areas to request the use of up to 10 percent of local area formula allocation funds for adults, dislocated workers, and youth to provide statewide employment and training activities identified at WIA Sections 129(b) and 134, through June 30, 2007. These funds must be tracked by funding stream. This waiver request is also consistent with the funding flexibility the Administration is seeking through WIA reauthorization.

Requested Waiver 8: Waiver to permit local areas to transfer up to 20 percent of funds between the Adult and Youth programs.

WIA Section 133(b)(4) permits a limited transfer of funds between the WIA Adult and Dislocated Worker funding streams, and we have approved for the state a waiver of this provision. However, there is no statutory provision for a transfer between the Adult and Youth funding streams. Therefore, we cannot approve a waiver to permit such a transfer. Again this is the type of flexibility we are seeking to achieve through the Administration's WIA Plus consolidation proposal.

Requested Waiver 9: Waiver of local workforce investment board membership requirements to streamline these boards.

We support your efforts to create highly effective local boards. However, the establishment and functions of local boards are excluded from the waiver authority. Therefore, we cannot approve your request to waive local board membership requirements.

Requested Waiver 10: Waiver to allow an exemption from the competitive requirement for the WIA Youth program follow-up and supportive service elements.

The state indicates that the requirements of an additional competitive process for follow-up services and supportive services are duplicative and burdensome. The request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). The state is granted a waiver of the WIA Section 123 requirement to competitively select providers of the 12-month follow-up and supportive services youth program elements, through June 30, 2007.

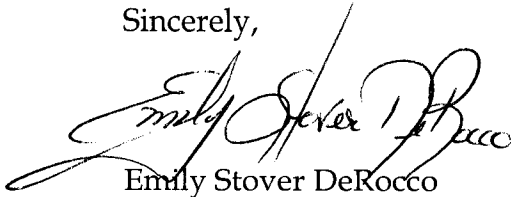
Requested Waiver 11: Waiver of the income requirements in determining youth eligibility.

Provisions related to eligibility of participants are excluded from the WIA waiver authority and cannot be waived. The statute provides some flexibility to states in this area through a limited exception to the low-income criterion at WIA Section 129(c)(5). Additionally, the regulations (20 CFR 661.120) give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility, as long as they are consistent with the statute, the regulations and other federal statutes.

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", is written over a horizontal line.

Emily Stover DeRocco

Enclosure